

# Income Assistance

## Mission

To provide temporary financial assistance to low-income families with dependent children in concert with appropriate social services to encourage and support the child's parent or caretaker to achieve greater financial independence through employment and child support collections.

## Summary of Activities

Temporary Assistance for Needy Families (TANF) is one form of income assistance administered by the Division of Family and Children of the **Family and Social Services Administration**. TANF assistance is available for the support of a dependent child under the age of 18 who lives with a parent or relative. Eligibility requirements include income and asset limitations, pursuit of employment by the parent, immunization of minor children, the children's attendance at school, a prohibition of controlled substance use by the parent, and the parent's maintenance of a safe and secure home environment for their children. Parents who are able-bodied are limited to receiving assistance for a period of 24 months. The parents and/or caretakers of the families receiving assistance are also provided case management, employment and training services, support services, and child support enforcement.

The Child Support Program provides the custodial parent appropriate establishment and enforcement of support and provides the non-custodial parent with fair and accurate accounting of their child support obligation. Child support services are generally accessed through the County Prosecutor's Office.

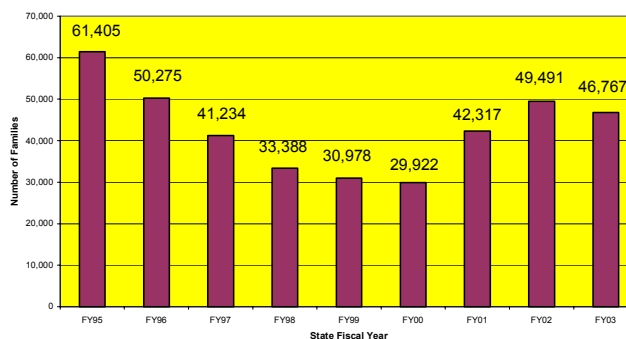
Income assistance is also provided to low-income Hoosiers through the Individual Development Account (IDA) program, administered by the **Department of Commerce**. The IDA program provides low-income Hoosiers with the opportunity to invest money in a savings account. For every \$1 invested by a qualifying individual at a participating financial institution, a state match of \$3 is provided – up to a maximum of \$900 per year. The funds accrued in the account may be used for one of four purposes: attending an institution of higher education, pursuing accredited training, buying a home, or starting or buying a business.

## External Factors

The success of the economy and the prevalence of social problems influence the number of families served and the type of services provided. Due to a healthy state economy, Indiana was able to help the parents and/or caretakers of low-income children to acquire employment and leave the assistance rolls, resulting in a decline in the number of TANF families of 51% from Federal Fiscal Year 1995 to Federal Fiscal Year 1999. Although changes in eligibility policy contributed significantly to this decline, the decline would not have been as pronounced without the support of a strong economy.

With Indiana's economy struggling, the Division of Family and Children (DFC) has seen a decrease in the number of people who are able to acquire and keep jobs, while the number of families receiving TANF is increasing. DFC caseworkers and policy staff are continuously discussing the challenges in providing effective services to those families returning to and remaining on assistance. Substance abuse, chemical addiction, and domestic violence are reported as common problems among those parents remaining on assistance. Additional concerns are expressed regarding the low education and skill levels of the parents in addition to health, behavioral, and educational issues affecting the children in these families.

Families Receiving TANF Assistance



## Evaluation and Accomplishments

The DFC has used a third-party evaluator, Abt Associates, to evaluate the progress of its income assistance programs. To date, the agency has learned that welfare reform has been successful in reducing families' dependence on assistance. However, the income of these families is only enough to replace the assistance payments they had received previously. Consequently, many families remain financially vulnerable and are returning to assistance with the first financial crisis they face, thus leading to a dramatic increase in the number of families receiving assistance in the last two to three years. Based upon the findings, the DFC made program improvements to support families as they transitioned off of TANF and to serve those remaining on assistance.

DFC has responded to increasing caseloads and changing needs of those remaining on assistance by offering services that address the special needs of families, focusing on collaboration with local providers and integration of services and programs in a comprehensive manner. DFC's response is demonstrated through initiatives such as implementing performance-based contracts for employment and training service providers, policy changes that encourage participation in employment, and a 355% increase in child support collections distributed since 1989.

## Plans for the Biennium

Over the next biennium, the DFC plans to continue to enhance service delivery to very low-income families by:

- 1) Improving the quality of services provided to families through TANF and other assistance programs by focusing services on those families that have remained on or returned to TANF. DFC will also work to better integrate programs within DFC and across FSSA.
- 2) Expanding the type and scope of services available to families who continue to receive benefits under the cash assistance program with special attention to the development of services for families who have been victimized by domestic violence, are homeless, or face multiple barriers to work. Service expansion will include the development of intensive case management and other support services.

The federal TANF block grant was due for reauthorization by October 2002 and is still pending in Congress. The agency will continue to work with other states to influence program changes which are more responsive to the needs of the people served and the activities of the state which provide the services. At the time of publication, it appears likely that any reauthorization will result in federal funding either decreasing or remaining frozen at current allocation levels at a time when state requirements are increasing. This could result in fewer federal dollars to support families as they transition from welfare to work to self-sufficiency.

